

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01  
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02  
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CU-04 AGRE-00 HUD-02 STR-04 EA-09 FAA-00 ERDA-07 /099 W  
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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 6604

UNCLAS SECTION 1 OF 3 CARACAS 1581

E.O. 11652: N/A

TAGS: BEXP, AFSP, VE

SUBJ: FY-1978 CCP-VENEZUELA

REF: 76/STATE 292385, 76/STATE A-5960, CARACAS 1580

2. CAMPAIGN NO. 2-MAXIMIZE U.S. SALES OF CONSULTING SERVICES  
AND CAPITAL GOODS TO HEAVY INDUSTRY. PRIORITY NO. 4.

A. OBJECTIVE AND RATIONALE

BASIC METALS-PLAN V CONTEMPLATES TOTAL INVESTMENT OF OVER 10  
BILLION BOLIVARES IN BASIC METAL PRODUCTION CAPACITY OVER THE  
PERIOD 1976-1980. THE \$500-600 M. INTERALUMINA BAUXITE/ALUMINUM  
PLANT WILL BE IN THE BIDDING PHASE WHILE THE ALCASA AND VENALUM  
PLANTS WILL BE NEARING COMPLETION. SIDOR'S PLAN IV EXPANSION,  
WHICH WILL INCREASE THE CAPACITY OF THE NATION'S LARGEST  
STEEL PLANT FROM 1.2 TO 4.8 MILLION TONS OF LIQUID STEEL PER  
YEAR, IS ALSO APPROACHING COMPLETION. A SECOND FIVE MILLION  
TON STEEL PLANT IS NOW SLATED FOR CONSTRUCTION IN THE ZULIA  
REGION.

CHEMICAL AND PETROCHEMICAL-THE FIFTH PLAN CALLS FOR THE  
INVESTMENT OF APPROXIMATELY \$700 MILLION IN THE CHEMICAL AND  
PETROCHEMICAL INDUSTRY BETWEEN 1976 AND 1980. LITTLE ACTION  
ACCOMPANIED THIS PLAN IN 1977 PRIMARILY BECAUSE OF POLITICAL  
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INDECISION AS WELL AS OPERATING DIFFICULTIES EXPERIENCED BY THE  
VENEZUELAN PETROCHEMICAL INSTITUTE (IVP). NEVERTHELESS, IT  
APPEARS LIKELY THAT DEVELOPMENT OF THESE INDUSTRIES BY THE PUBLIC  
SECTOR WILL BEGIN IN 1978. THE INCREASED SUPPLY OF RAW MATERIALS  
FROM THIS EXPANSION IS EXPECTED TO CAUSE A SIGNIFICANT INCREASE  
IN THE CONSTRUCTION OF NEW PLASTICS PLANTS. IT IS IMPORTANT  
THAT THESE DEVELOPMENTS BE MONITORED CLOSELY IN ORDER TO ASSURE

A MARKET FOR US. SUPPLIERS OF CHEMICAL/PETROCHEMICAL AND RELATED PLASTIC MACHINERY, PARTS, TECHNOLOGY, AND ENGINEERING SERVICES.

SHIPBUILDING-THE FIFTH PLAN CALLS FOR A TOTAL INVESTMENT OF BS. 800 MILLION (\$187 MILLION) IN THE VENEZUELAN FLAG FLEET AND BS.600MILLION (\$140) IN SHIPBUILDING CAPABILITY. DURING THE YEAR, REQUESTS FOR BIDS PROBABLY WILL BE ISSUED FOR A TANKER SHIPYARD TO BE OPERATED IN CUMANA BY A JOINT VENTURE BETWEEN COVINCA, THE NEW NATIONAL SHIPBUILDING COMPANY AND BURNNEISTER & WAIN. LIKEWISE, A LARGE REPAIR YARD IN PARAGUANA WILL BE UNDER CONSIDERATION. FURTHER IMPROVEMENT OF THE EXISTING SHIPYARD RUN BY DIANCA IN PUERTO CABELLO WILL COST PERHAPS \$25 MILLION.

DURING THE YEAR THE POST WILL MAINTAIN CONTACT WITH CORPOZULIA, CVG-SIDOR, INTERALUMINA, IVP, CAVN, CORPORIENTE, COVINCA, DIANCA AND REPORT MAYOR PROJECT AND STRATEGIC PRODUCT OPPORTUNITIES AS THEY ARISE. CERP IRON AND STEEL INDUSTRY OUTLOOK REPORTS AND A ROUNDUP OF DEVELOPMENTS IN ALUMINUM INDUSTRIES WILL BE SUBMITTED.

B. ACTION/MILESTONES

1. SCHEDULE FIELD TRIP TO PUERTO ORDAZ/MATANZAS AREA TO VISIT CVG-SIDOR AND ALUMINUM PLANT TECHNICAL DECISION MAKERS AND MONITOR PROGRESS OF SECONDARY PROCESSING PLANT PLANS. FIRST QUARTER, THIRD QUARTER.

2. SCHEDULE FIELD TRIP TO MARACAIBO TO MONITOR PROGRESS OF UNCLASSIFIED

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CORPOZULIA IRON AND STEEL MILL AND COAL PROJECTS, AND IVP PETROCHEMICAL PROJECTS. SECOND QUARTER, FOURTH QUARTER.

3. ESTABLISH CLOSE CONTACT WITH CORPORATE HEADQUARTERS OF CVG-SIDOR, INTERALUMINA, CAVN, COVINCA, DIANCA. QUARTERLY.

4. MAINTAIN CLOSE CONTACT WITH IVP TO MONITOR ITS EVOLUTION INTO IMPLEMENTING AGENCY FOR PETROCHEMICAL PLAN. QUARTERLY.

5. SUBMIT MAJOR PROJECT EARLY WARNINGS ON ALL ABOVE PROJECTS. AS APPROPRIATE.

6. SUBMIT CERP INDUSTRY OUTLOOK REPORT ON IRON & STEEL INDUSTRY. FOURTH QUARTER.

7. SUBMIT STATUS REPORT ON ALUMINUM INDUSTRY. THIRD QUARTER.

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FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC PRIORITY 6605

UNCLAS SECTION 2 OF 3 CARACAS 1581

CAMPAIGN NO.3- MAXIMIZE U.S. PARTICIPATION IN TRANSPORTATION  
INFRASTRUCTURE. PROJECTS. PRIORITY NO. 5.  
A. OBJECTIVE AND RATIONALE  
RAILROAD-WHILE THE ONE-BILLION DOLLAR, 780-MILE FIRST PHASE  
OF THE RAILROAD PROJECT MAY ALREADY HAVE BEEN AWARDED, THE VAST  
AMOUNT OF EQUIPMENT AND SUPPLIES TO BE PURCHASED JUSTIFIES  
CONTINUED MONITORING OF DEVELOPMENT AND REPORTING FOR THE BENEFIT  
OF SUPPLIERS IN THE U.S. IN ADDITION, THE SHORT-HAUL COAL  
RAILROAD PLANNED BY CORPOZULIA MIGHT COME UP FOR BID THIS  
YEAR. CERTAINLY THE ORINOCO RIVER RAILROAD BRIDGE WILL. FINALLY,  
THE RAILROAD INSTITUTE WILL START PLANNING FOR THE 800 KM  
PHASE II WHICH WILL UNDOUBTEDLY REQUIRE CONSULTING SERVICES  
AND MIGHT COST AS MUCH AS \$1.5 BILLION.

METRO-THE ENTIRE HALF OF THE CARACAS SUBWAY WILL HAVE BEEN  
BID AND AWARDED BY THE START OF THE YEAR. HOWEVER, THE SECOND  
HALF (CHACAITO TO PETARE) WILL BE IN THE PRE-QUALIFICATION  
STAGE.

PORTS-THE GOV HAS SET UP A NATIONAL PORTS INSTITUTE TO DEVELOP  
AND OPERATE ALL THE SEA PORTS IN VENEZUELA, NOW SEVERELY  
UNDER-EQUIPPED TO HANDLY THE BURGEONING VOLUME OF IMPORTS.  
THE FIFTH PLAN PROGRAMS BS.700 MILLION (\$163 MILLION) FOR PORT  
EXPANSION. DURING THE YEAR, THE PORT OF PUERTO CABELLO PROJECT  
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(\$85 MILLION) WILL BE IN THE FINAL DESIGN/CALL FOR BIDS PHASE.  
A PRIVATELY-BUILT BULK CHEMICAL TERMINAL WILL BE WELL ALONG

ALSO. ENGINEERING DEFINITION MAY START FOR THE NEW PORT OF CARENERO TO COMPLEMENT LA GUAIRA WHICH HAS REACHED ITS PHYSICAL LIMITS OF EXPANSION. A SMALLER PORT AT LA CEIBA WILL BE IN THE FINAL DESIGN/REQUEST FOR BIDS STAGE ALSO. IN ADDITION TO THE CONSULTING, ENGINEERING, THE CONTRACTING OPPORTUNITIES INHERENT IN THESE MAJOR PROJECTS, THESE PORTS AND EXISTING PORTS (LA GUAIRA, MARACAIBO, GUANTA, PUERTO LA CRUZ) WILL BE REQUIRING A WIDE VARIETY OF MATERIALS HANDLING EQUIPMENT SYSTEMS TO IMPROVE PORT EFFICIENCY.

DURING THE YEAR, THE POST WILL IDENTIFY RAILROAD SUBCONTRACTORS AND COMPONENTS SUPPLIERS, PREPARE EARLY WARNINGS ON PHASE II OF THE RAILROAD AND ASSESS CONSULTING OPPORTUNITIES, PLUS PREPARE EARLY WARNINGS ON THE SECOND HALF OF METRO CONSTRUCTION, PROCUREMENT OF FARE COLLECTION SYSTEM, AND OTHER EQUIPMENT/SERVICES NEEDS. THE POST WILL MAINTAIN CONTACT WITH THE INSTITUTE NACIONAL DE PUERTOS AND THOSE CONSULTING ENGINEERS WORKING ON PORT PROJECTS AND REPORT NEW DEVELOPMENTS.

#### B. ACTIONS/MILESTONES

1. CALL ON RAILROAD INSTITUTE TO REVIEW STATUS AND ACCOMPLISHMENTS, IDENTIFY TARGETS OF OPPORTUNITY. ONCE PER QUARTER.
2. CALL ON CARACAS METRO AUTHORITY TO REVIEW STATUS AND ACCOMPLISHMENTS, IDENTIFY TARGETS OF OPPORTUNITY, ONCE PER QUARTER.
3. SUBMIT EARLY WARNINGS AND INVITATIONS TO PREQUALIFY FOR SECOND PHASES OF BOTH RAILROAD AND METRO PROJECTS. AS REQUIRED.
4. CALL ON INSTITUTO NACIONAL DE PUERTOS. ONCE QUARTERLY.
5. CALL ON CONSULTING ENGINEERS. TWICE QUARTERLY.
6. SUBMIT EARLY WARNING REPORTS ON NEW PORT PROJECTS. AS REQUIRED

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7. ARRANGE FOR TWO INP EXECUTIVES TO VISIT U.S. PORT AUTHORITIES UNDER AUSPICES OF THE INTERNATIONAL VISITORS PROGRAM. FIRST QUARTER

CAMPAIGN NO. 4-MAXIMIZE U.S. SALES OF CONSTRUCTION, MINING AND MATERIALS HANDLING EQUIPMENT, CONSTRUCTION MATERIALS, PREFAB STRUCTURES. PRIORITY NO. 6

#### A. OBJECTIVE AND RATIONALE

U.S. EXPORTS TO VENEZUELA OF CONSTRUCTION, MINING AND MATERIALS HANDLING EQUIPMENT REACHED \$170 MILLION IN 1975 (A) 65PERCENT SHARE OF THE MARKET). WITH ITS EMPHASIS ON ECONOMIC DIVERSIFICATION AND CREATION OF AN INTEGRATED INFRASTRUCTURE, PLAN V WILL GIVE CONTINUED IMPETUS TO THE CONSTRUCTION BOOM. DEVELOPMENT OF COAL AS AN ALTERNATE ENERGY SOURCE AND AS AN

INPUT FOR THE STEEL INDUSTRY COULD PROVIDE A HUGE MARKET FOR MINING EQUIPMENT AND TECHNOLOGY, AS WELL AS FOR MATERIALS HANDLING EQUIPMENT. THE MODERNIZATION OF VENEZUELAN PORTS AND CONSTRUCTION OF NEW PORTS ALSO WILL CREATE AN ADDED DEMAND FOR MATERIALS HANDLING EQUIPMENT. THE VENEZUELAN LEGISLATURE MAY PASS A LAW CREATING A NEW POSTAL AND TELEGRAPH AGENCY; THE FIFTH PLAN CALLS FOR A \$46.5 MILLION INVESTMENT IN MODERNIZATION AND AUTOMATION OF POSTAL SERVICES, YET ANOTHER MARKET POSSIBILITY. THUS, THIS CATEGORY IS RANKED SECOND AMONG THE "BEST PROSPECTS" FOR INCREMENTAL U.S. EXPORTS, WITH TOTAL CONSUMPTION EXPECTED TO REACH \$290 MILLION BY 1978.

HOUSING IS IN SHORT SUPPLY IN VENEZUELA. INAVI, THE NATIONAL HOUSING INSTITUTE, NOW HAS PLANS TO CONSTRUCT OVER 200,000 HOUSING UNITS BETWEEN 1977 AND 1990. UNDER POLITICAL PRESSURE TO RAPIDLY DELIVER LOW-COST HOUSING TO MARGINAL AREAS AND GIVEN A SHORTAGE OF CONSTRUCTION WORKERS AND MATERIALS, INTEREST IN PREFAB AND INDUSTRIALIZED CONSTRUCTION OF HOUSING, SCHOOLS, AND THE REST OF SOCIAL INFRASTRUCTURE IS INTENSE. DURING THE YEAR THE POST WILL MOUNT A BUILDING AND CONSTRUCTION EQUIPMENT TRADE MISSION, ARRANGE SHOWINGS OF THE BUILDING MATERIALS AND CONSTRUCTION EQUIPMENT TARGET INDUSTRY ACQUIRED

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FILM COLLECTION TO REGIONAL CHAMBERS OF CONSTRUCTION CONTRACTORS AND MAINTAIN CONTACT WITH CONSTRUCTION-RELATED ORGANIZATIONS AND PRIVATE COMPANIES. IT WILL PROMOTE FOREIGN BUYERS TRIPS AND THE INTERNATIONAL VISITORS PROGRAM, MOUNT A TECHNICAL SALES SEMINAR-CATALOGUE SHOW ON PREFAB HOUSING, AND UPDATE MARKET RESEARCH PREPARATORY TO AN EARLY 1979 EXHIBITION ON THIS THEME.

#### B. ACTION/MILESTONES

1. IN COOPERATION WITH CAMARA DE CONTRATISTAS AND SOCIEDAD VENEZOLANA DE INGENIEROS CONSULTORES ORGANIZE FOREIGN BUYER PROGRAM GORUP VISIT TO BUILDING AND CONSTRUCTION EXPOSITION, CHICAGO, NOVEMBER 1978, PROVIDE FSO ESCORT. FIRST QUARTER.
2. MAKE 10 MULTIPURPOSE KEY PROSPECT CALLS TO GENERATE INTEREST IN BUILDING AND CONSTRUCTION EQUIPMENT TRADE MISSION, ASCERTAIN POSSIBLE JOINT VENTURE AND TECHNICAL LICENSING OPPORTUNITIES. FIRST QUARTER.
3. ORGANIZE AND PROMOTE BUILDING AND CONSTRUCTION EQUIPMENT TRADE MISSION. SECOND QUARTER.
4. ARRANGE FOR SHOWINGS OF TARGET INDUSTRY FILM COLLECTION "BUILDING MATERIALS AND CONSTRUCTION EQUIPMENT" ALONG WITH PRESENTATIONS ON SERVICES OFFERED BY EMBASSY TO REGIONAL CHAMBERS OF CONSTRUCTION CONTRACTORS. THREE IN FIRST QUARTER. TWO EACH IN SECOND AND THIRD QUARTERS.
5. CONTINUE PROGRAM OF CONTACTS WITH LEADING ENGINEERING CONSULTANTS/CONTRACTORS, DEVELOP INTELLIGENCE ON MAJOR CONSTRUCTION PROJECTS, PREPARE VOLUNTARY WTDRS. FIVE EACH,

SECOND, THIRD, FOURTH QUARTERS.

6. CONTACT THREE EQUIPMENT DEALERS, REPORT TOS. QUARTERLY.

7. RECRUIT DECISION MAKERS IN CORPOZULIA, CAMINA, AND LOBATERRA TO VISIT COAL MINING, PROCESSING AND PORT FACILITIES IN US. UNDER SPONSORSHIP OF INTERNATIONAL VISITORS PROGRAM.

THIRD QUARTER.

8. UPDATE JANUARY 1976 MARKET RESEARCH ON CONSTRUCTION EQUIPMENT/BUILDING MATERIALS AND FEBRUARY 1977 SPECIAL STUDY ON PREFAB HOUSING PREPARATORY TO AN EARLY 1979 EXHIBITION ON THIS THEME.

THIRD QUARTER.

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9. MOUNT TECHNICAL SALES SEMINAR/CATALOG SHOW ON INDUSTRIALIZED CONSTRUCTION/PREFAB HOUSING SYSTEMS. (SUBJECT TO OIM APPROVAL AND SCHEDULING). FOURTH QUARTER.

(A) RECURIT LOCAL ARCHITECTS/ENGINEERS TO PARTICIPATE IN COMPANION SEMINAR ON LOCAL SITUATION.

(B) PROMOTE EVENT THROUGH AUGMENTED PROGRAM OF CALLS AND DIRECT MAIL.

(C) MAN EVENT.

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 6606

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CAMPAIGN NO. 5- MAINTAIN U.S. SHARE OF THE EXPANDING VENEZUELAN MARKET FOR AIRCRAFT, AVIATION EQUIPMENT, AVIONICS AND AIRPORT EQUIPMENT. PRIORITY NO. 8.

A. OBJECTIVE AND RATIONALE

VENEZUELA HAS EMBARKED ON AN EXTENSIVE PROGRAM TO IMPROVE ITS

AIRWAYS AND AIR NAVIATION FACILITIES STRUCTURE. THIS EFFORT INCLUDES PLANS TO MODERNIZE AND ENLARGE AIRPORTS, ESTABLISH MORE AND LARGER AIRCRAFT ENGINE AND AIRFRAME OVERHAUL FACILITIES, EVENTUAL ASSEMBLY OF AIRCRAFT, AND MODERNIZATION OF GROUND HANDLING FACILITIES FOR LARGER AIRCRAFT. IN ADDITION, THE LOCAL DEMAND FOR GENERAL AVIATION AIRCRAFT HAS INCREASED TO OVER 600 UNITS/YEAR, CREATING A CORRESPONDING REQUIREMENT FOR MORE MAINTENANCE FACILITIES. TOTAL GOV INVESTMENT IN CIVIL AVIATION FOR THE NEXT FIVE YEARS ARE ESTIMATED AT OVER BS.1.5 BILLION. THERE IS NO DOMESTIC PRODUCTION OF ANY OF THE EQUIPMENT AND THE TRADITIONALLY DOMINANT U.S. POSITION IS BEING CHALLENGED BY FRENCH, BRITISH, DUTCH AND JAPANESE COMPETITORS. THE POST WILL CONTINUE PROMPTING TECHNICAL ASSISTANCE BY FAA AND BY COMMERCIAL CONSULTANTS; ARRANGE FOR STUDY TRIPS BY VENEZUELAN ENGINEERS TO U.S. FACILITIES; PROMOTE VISIT TO AIRSHOWS BY PRIVATE CUSTOMERS; ASSIST IN AIRCRAFT DEMONSTRATIONS AND ALERT U.S. MANUFACTURERS TO SALES POSSIBILITIES. MAINTAIN CLOSE WORKING RELATIONSHIP WITH GOV AGENCIES, AIRLINES AND GENERAL AVIATION CIRCLES. ARRANGE FOR FAA SAFETY SEMINAR.

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B. ACTION/MILESTONES

1. ORGANIZE SAFETY SEMINAR, INCLUDING MAINTENANCE, TOOL AND TEST EQUIPMENT REQUIREMENTS WITH COOPERATION OF FAA AND AERoclub. FIRST QUARTER.
2. PROMOTE READING AIR SHOW AND ORGANIZE "FLY-IN" AS GROUP FOREIGN BUYERS PROGRAM. THIRD QUARTER.
3. PUBLIC ARTICLE ON U.S. AVIATION IN COMMERCIAL NEWSLETTER. QUARTERLY.
4. ARRANGE FOR STUDY TRIPS (AS POSSIBLE ACCORDING TO GOV BUDGET AND INTEREST). AS REQUIRED.
5. PROVIDE PERIODIC REPORTS ON NEW PROJECTS OR DEVELOPMENTS. AS REQUIRED.
- Y. CONTINUE TO SUPPLY GOV WITH FAA-PUBLISHED TECHNICAL MATERIALS AND MAINTAIN CLOSE CONTACT WITH DEALERS OF US. EQUIPMENT; SUPPORT THEIR PROMOTIONAL EFFORTS. AS REQUIRED.
7. IN COURSE OF PROVIDING BACKUP FOR FAA TECHNICAL ASSISTANCE PROGRAM, SEEK TO MAXIMIZE US. EXPORT SALES. AS REQUIRED.

CAMPAIGN NO. 6- PROMOTE ROLE FOR US. EQUIPMENT, ENGINEERING SERVICES, AND TECHNICAL ASSISTANCE IN ENERGY SYSTEMS. PRIORITY NO.

9.

A. OBJECTIVE AND RATIONALE

PRELIMINARY CONSTRUCTION WORK ON THE \$600MILLION URIBANTE-CAPARO HYDROELECTRIC PROJECT WAS SCHEDULED TO BEGIN MID-1977. INTERNATIONAL BIDS ARE EXPECTED TO BE LET ON THE MAJOR PARTS OF THIS PROJECT BEGINNING IN THE SECOND OR THIRD QUARTER OF CY 1977. OTHER PROJECTS TO BE UNDERTAKEN INCLUDE THE LAYING OF A SUBMARINE CABLE FROM FALCON STATE TO CURACAO, THE CONSTRUCTION

OF A DOUBLE CIRCUIT 800KV POWER LINE FROM THE GURI DAM TO THE NORTH CENTRAL REGION OF THE COUNTRY, AND CADAFE'S ONGOING RURAL ELECTRIFICATION WORK.

DURING THE YEAR, THE POST WILL PROMOTE AND SUPPORT A US. SOLO EXHIBITION ON ENERGY SYSTEMS; MONITOR AND REPORT PROGRESS ON ONGOING PROJECTS; AND ENCOURAGE U.S. FIRMS TO OBTAIN LOCAL AGENTS.

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#### B. ACTION/MILESTONES

1. PROMOTE AND SUPPORT A US. SOLO EXHIBITION ON ENERGY SYSTEMS SCHEDULED FOR MARCH 1978:
  - (A) UPDATE MARKET RESEARCH. FIRST QUARTER.
  - (B) ASSIST IN MARKET PROMOTION CAMPAIGN, INCLUDING BLUE RIBBON CALLS. SECOND QUARTER.
  - (C) IN COOPERATION WITH USIS MEDIA SERVICES, PLACE TWO PRE-EXHIBITION ARTICLES ON US. ENERGY INDUSTRY TECHNOLOGY AND EQUIPMENT IN TRADE PUBLICATIONS AND COMMERCIAL NEWSLETTER. FIRST QUARTER.
2. MAINTAIN CLOSE CONTACT WITH ELECTRICIDAD DE CARACAS, EDELCA, AND CADAFE AND FIRMS WHICH ACT AS THEIR CONSULTANTS TO INSURE FLOW OF CURRENT INFORMATION ON FUTURE PROJECTS.
3. SEEK OUT AND REPORT "SELF-SUPPLIER" POWER PLANTS DURING VISITS TO REGIONAL DEVELOPMENT HEADQUARTERS. QUARTERLY.
4. MAINTAIN CONTACT WITH THE NATIONAL NUCLEAR COMMISSION (CONAN) TO KEEP ABREAST OF LONG-RANGE NUCLEAR POWER PLANS, INCLUDING VISITS BY US. EXPERTS UNDER COUNTRY FINANCED SERVICE PROGRAM. AS REQUIRED.

CAMPAIGN NO. 7- INCREASE US. MARKET SHARE IN TELECOMMUNICATIONS EQUIPMENT AND INDUCE GOV TO ADOPT US. METHODS AND STANDARDS. PRIORITY 10.

#### A. OBJECTIVE AND RATIONALE

THE GOV IS ABOUT TO UNDERTAKE A MAJOR REORGANIZATION OF THIS TELECOMMUNICATIONS AGENCIES WHICH WILL INVOLVE A NUMBER OF TECHNICAL AS WELL AS ORGANIZATIONAL CHANGES. AT THE SAME TIME, THE NATIONAL PLAN CALLS FOR A CONSIDERABLE INCREASE IN TELEPHONE, TELEX AND TELETYPE FACILITIES, PROJECTING A TOTAL INVESTMENT OF BS.3.6 BILLION. DUE PRINCIPALLY TO EXISTING TECHNICAL STANDARDS, EUROPEAN MANUFACTURERS OF TELEPHONE EQUIPMENT DOMINATE THE LOCAL MARKET. THEIR PREDOMINANCE COULD BE DIMINISHED IF THE GOV WERE TO ADOPT ELECTRONIC SWITCHING. VARIOUS GOV AND PRIVATE CUSTOMERS ARE ABOUT TO EMBARK ON LARGE TELECOMMUNICATIONS PROJECTS.

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THE POST WILL FOLLOW UP ON GOV INTEREST IN TECHNICAL ASSISTANCE FROM THE FCC. FOLLOW-ON SUPPORT TO THE US. SOLO EXHIBITION OF TELECOMMUNICATIONS EQUIPMENT WILL BE PROVIDED. FOLLOW-UP AND REPORT ON GOV AND PRIVATE SALES OPPORTUNITIES.

B. ACTION/MILESTONES

1. PROVIDE FOLLOW-ON SUPPORT TO US. SOLO EXHIBITION

A. ATTEND SHOW DURING ITS ENTIRE LENGTH.

B. PRESENT SETS OF EXHIBITORS' CATALOGS TO CANTV, MINISTRY OF COMMUNICATIONS AND MINISTRY OF DEFENSE, WITH SMALL RECEPTION IN EACH CASE, AT END OF EXHIBITION. FIRST QUARTER.

2. CONTINUE BI-WEEKLY CONTACTS WITH GOV TELECOMMUNICATIONS AUTHORITIES AND ASCERTAIN PLANNING ON ESS. QUARTERLY.

3. FOLLOW-UP ON LORAN-C NAVIGATION SYSTEM PROJECT. AS REQUIRED.

4. FOLLOW-UP ON LANDSAT PROJECTS. AS REQUIRED.

5. VISIT AT LEAST FIVE PROSPECTIVE PRIVATE CUSTOMERS. EACH QUARTER.

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## Message Attributes

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